

OFFERING MEMORANDUM

DOLLAR GENERAL

3-UNIT PORTFOLIO

ARKANSAS & TENNESSEE



Representative Photo



Representative Photo



Representative Photo

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

TABLE OF CONTENTS

PORTFOLIO SUMMARY	04
TENANT OVERVIEW	05
TEXARKANA, AR	06
DECATURVILLE, TN	10
BEARDEN, AR	14

EXCLUSIVELY LISTED BY

ANDREW GROSS

Capital Markets

andrew.gross@matthews.com
DIR 310.955.1773
MOB 435.659.1404
LIC # 01987860 (CA)

CHAD KURZ

SVP & National Director

chad.kurz@matthews.com
DIR 214.692.2927
MOB 562.480.2937
LIC # 01911198 (CA)

BROKER OF RECORD

JESSICA DEARNLEY

BROKER OF RECORD

LIC # PB00069947 (AR)

JIM HOLLEMAN

BROKER OF RECORD

LIC # 235328 (TN)





PORTFOLIO SUMMARY

List Price	\$3,440,184
------------	-------------

Cap Rate	7.00%
----------	-------

Total Net Operating Income	\$240,812.88
----------------------------	--------------

*These properties are available individually or as a portfolio sale.



Representative Photo



TEXARKANA, AR

2401 Arkansas Blvd, Texarkana, AR

- Year Built: 2014
- 12+ Years Remaining on Initial Term
- NNN Lease w/ Zero Landlord Responsibility

DECATURVILLE, TN

840 W. Main Street, Decaturville, TN

- Year Built: 2013
- 11.33+ Years Remaining on Initial Term
- NN+ (Tenant provides additional rent of \$308.00/month for CAM)

BEARDEN, AR

562 Jordan Avenue, Bearden, AR

- Year Built : 2014
- 12+ Years Remaining on Initial Term
- NNN - Zero Landlord Responsibility

TENANT OVERVIEW



Company Name	Dollar General
Parent Company Trade Name	Dollar General Corporation (NYSE: DG)
Ownership	Public
Credit Rating (S&P)	BBB
No. of Locations	± 13,000
No. of Employees	± 113,400
Headquartered	Goodlettsville, TN
Website	www.dollargeneral.com
Year Founded	1939

Tenant Overview

Dollar General is the fast-growing retailer that boasts roughly 13,000 discount stores in over 40 US states, mostly in the South, East, the Midwest, and the Southwest. It generates about 75% of its sales from consumables (including refrigerated, shelf-stable, and perishable foods) and another 10% from seasonal items. The stores also offer household products and apparel. Pricing its items at \$10 or less, Dollar General targets low-, middle-, and fixed-income shoppers while selling brand-name products from manufacturers such as Procter & Gamble, Kimberly-Clark, Unilever, Kellogg’s, General Mills, Nabisco, Hanes, PepsiCo, and Coca-Cola. The retailer devotes its dollars to promotional circulars, targeted circulars that support new stores, television and radio advertising, in-store signage, and costs associated with the sponsorship of certain auto racing activities. Because Dollar General’s customers typically live in small towns, the company doesn’t allocate ample amounts of money to advertising. It has spent increasingly more on advertising in recent years, however, as the company expands its stores’ footprint.

Strategy

With its small-box stores typically measuring some 9,100 sq. ft, Dollar General targets cost-conscious consumers that prefer easier and quicker access to items than at super-sized competitors such as Wal-Mart and Costco (which are also often much farther away). Indeed, Dollar General’s strategy of catering to the value conscious has paid off big, both during and after the recession. The discount retailer boasted its 26th consecutive year of same-store sales growth in 2016 (ended January), attributable to its value and convenience proposition.

Operations

Dollar General’s massive stores network is supported by 13 distribution centers that are strategically located throughout its geographic footprint. Dollar General owns several trademarks, including Dollar General, Dollar General Market, Clover Valley, DG, DG Deals, Smart & Simple, trueliving, Forever Pals, I*Magine, OT Sport, and Sweet Smiles. It also boasts a few licenses, such as Bobbie Brooks and Fisher Price for clothing and Rexall for health and beauty aids.

Geographic Reach

Dollar General operates nearly 13,000 stores in 43 US states in 2015. About 10% of its stores are in Texas and another 20% are spread across Florida, Georgia, Ohio, and North Carolina.

2401 Arkansas Blvd
Texarkana, AR 71854



Representative Photo

EXECUTIVE SUMMARY

2401 Arkansas Blvd
Texarkana, AR 71854

Price.....\$1,104,725
Cap Rate.....7.00%
Gross Leasable Area..... ± 9,309 SF
Lot Size..... ± 2.99 Acres
Year Built..... 2014



Representative Photo

INVESTMENT HIGHLIGHTS

- **Impressive Demographics:** This location is surrounded by residential developments and greatly benefits from the strong population density of over 31,000 people in the 3-mile radius
- **Strong Retail Corridor:** The site is equipped with incredible retail synergy vast mix of nearby retailers including: Walgreens, Albertsons, Sonic Drive-In, Pizza Hut, CVS Pharmacy, Walmart Supercenter, KFC, Wells Fargo, Murphy USA and more
- **Rare, In-Fill Location:** Situated just 1.2 miles from Texarkana Regional Airport and located along one of the most highly-trafficked corridors of Texarkana on Arkansas Blvd (± 13,000 ADT) and Interstate 49 (± 18,000 ADT)

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Current	\$6,444.23	\$77,330.76	\$8.31	7.00%
Option 1	\$7,088.65	\$85,063.84	\$9.14	7.70%
Option 2	\$7,797.52	\$93,570.22	\$10.05	8.47%
Option 3	\$8,577.27	\$102,927.24	\$11.06	9.32%
Option 4	\$9,435.00	\$113,219.97	\$12.16	10.25%
Option 5	\$10,378.50	\$124,541.96	\$13.38	11.27%

TENANT SUMMARY

Tenant	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	15 Years
Lease Commencement Date	12/16/2013
Rent Commencement Date	10/1/2014
Lease Expiration Date	9/30/2029
Term Remaining on Lease	± 12 Years
Increases	10% Increases in Options
Options	Five (5), Five (5) Year Options

PROPERTY DESCRIPTION

The Offering

Property Name	Dollar General
Property Address	2401 Arkansas Blvd Texarkana, AR
Assessor's Parcel Number	00213701

Site Description

Number of Stories	One
Year Built	2014
Gross Leasable Area	± 9,309 SF
Lot Size	± 2.99 Acres (130,070 SF)
Type of Ownership	Fee Simple
Parking	± 50 Surface Spaces
Parking Ratio	5.37 : 1,000 SF
Lanscaping	Professional
Topography	Generally Level

TRAFFIC COUNTS

ARKANSAS BLVD: ± 13,000 ADT
I-49: ± 18,000 ADT



PROPERTY DEMOGRAPHICS

Population	1-Mile	3-Mile	5-Mile
2022 Projection	6,540	31,959	62,101
2017 Estimate	6,499	31,294	60,533
Growth 2017 - 2022	0.63%	2.13%	2.59%
Households	1-Mile	3-Mile	5-Mile
2022 Projection	2,894	13,157	25,233
2017 Estimate	2,856	12,844	24,463
Growth 2017 - 2022	1.33%	2.43%	3.15%
Growth 2010 - 2017	0.80%	1.64%	2.69%
Income	1-Mile	3-Mile	5-Mile
2017 Est. Average Household Income	\$58,512	\$53,076	\$52,871

SURROUNDING TRADE AREA



840 West Main Street
Decaturville, TN 38329



Representative Photo



Representative Photo

EXECUTIVE SUMMARY

840 West Main Street
Decaturville, TN 38329

Price.....\$1,272,429
Cap Rate.....7.00%
Gross Leasable Area..... ± 9,026 SF
Lot Size..... ± 2.57 Acres
Year Built..... 2013

INVESTMENT HIGHLIGHTS

- **Growing Trade Area:** Population has steadily increased throughout the last decade, providing a positive outlook for long-term success
- **Ideal Corner Location:** Substantial traffic counts on the corner of Main Street (± 3,000 ADT) and Highway 541 (± 5,000 ADT)
- **Attractive Rent Increases:** Lease calls for rent escalations after Year 10 of the initial term and each of the option periods

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Year 1 - 10	\$7,422.50	\$89,070.00	\$9.79	7.00%
Year 11 - 15	\$7,645.18	\$91,742.16	\$10.08	7.21%
Option 1	\$8,409.70	\$100,916.38	\$11.09	7.93%
Option 2	\$9,250.67	\$111,008.01	\$12.20	8.72%
Option 3	\$10,175.73	\$122,108.81	\$13.42	9.60%
Option 4	\$11,193.31	\$134,319.70	\$14.76	10.56%
Option 5	\$12,312.64	\$147,751.67	\$16.24	11.61%

TENANT SUMMARY

Tenant	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease type	NN+ (Tenant provides additional rent of \$308.00/month fo CAM)
Roof and Structure	Tenant Responsible
Original Lease Term	15 Years
Lease Commencement Date	10/1/2013
Rent Commencement Date	12/1/2013
Lease Expiration Date	12/30/2028
Term Remaining on Lease	± 11.3 Years
Increases	3% After Year 10; 10% in Options
Options	Five (5), Five (5) Year Options

PROPERTY DESCRIPTION

The Offering

Property Name	Dollar General
Property Address	840 West Main Street Decaturville, TN 38329
Assessor's Parcel Number	020068 00900

Site Description

Number of Stories	One
Year Built	2013
Gross Leasable Area	± 9,026 SF
Lot Size	± 2.57 Acres (111,949 SF)
Type of Ownership	Fee Simple
Parking	± 34 Surface Spaces
Parking Ratio	3.77 : 1,000 SF
Lanscaping	Professional
Topography	Generally Level

TRAFFIC COUNTS
HWY 541: ± 5,000 ADT
HWY 100: ± 3,000 ADT



PROPERTY DEMOGRAPHICS

Population	5-Mile	7-Mile	10-Mile
2022 Projection	5,043	8,644	13,131
2017 Estimate	4,998	8,548	12,996
Growth 2017 - 2022	0.90%	1.12%	1.04%
Households	5-Mile	7-Mile	10-Mile
2022 Projection	2,009	3,534	5,382
2017 Estimate	2,001	3,505	5,337
Growth 2017 - 2022	0.43%	0.84%	0.84%
Income	5-Mile	7-Mile	10-Mile
2017 Est. Average Household Income	\$51,558	\$53,146	\$53,397



562 Jordan Avenue
Bearden, AR 71720



Representative Photo

EXECUTIVE SUMMARY

562 Jordan Avenue
Bearden, AR 71720

Price.....\$1,063,030
Cap Rate.....7.00%
Gross Leasable Area..... ± 9,152 SF
Lot Size..... ± 2.09 Acres
Year Built.....2014

INVESTMENT HIGHLIGHTS

- **Significant Market Upside:** Brand new, ground breaking solar energy development in the process of being built in Bearden
- **Strategically Positioned:** Perfect location just 0.4 miles away from Bearden High School and Bearden Middle School (2-minute drive)
- **Build-To-Suit Model:** This newer, larger format honors Dollar General's most popular strategy, serving as this market's primary grocer



Representative Photo

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Current	\$6,201.01	\$74,412.12	\$8.13	7.00%
Option 1	\$6,821.11	\$81,853.33	\$8.94	7.70%
Option 2	\$7,503.22	\$90,038.67	\$9.84	8.47%
Option 3	\$8,253.54	\$99,042.53	\$10.82	9.32%
Option 4	\$9,078.90	\$108,946.78	\$11.90	10.25%
Option 5	\$9,986.79	\$119,841.46	\$13.09	11.27%

TENANT SUMMARY

Tenant	Dollar General
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	15 Years
Lease Commencement Date	6/28/2013
Rent Commencement Date	7/1/2014
Lease Expiration Date	7/31/2029
Term Remaining on Lease	± 12 Years
Increases	10% in Options
Options	Five (5), Five (5) Year Options

PROPERTY DESCRIPTION

The Offering

Property Name	Dollar General
Property Address	562 West Jordan Avenue Bearden AR
Assessor's Parcel Number	001-00741-001R

Site Description

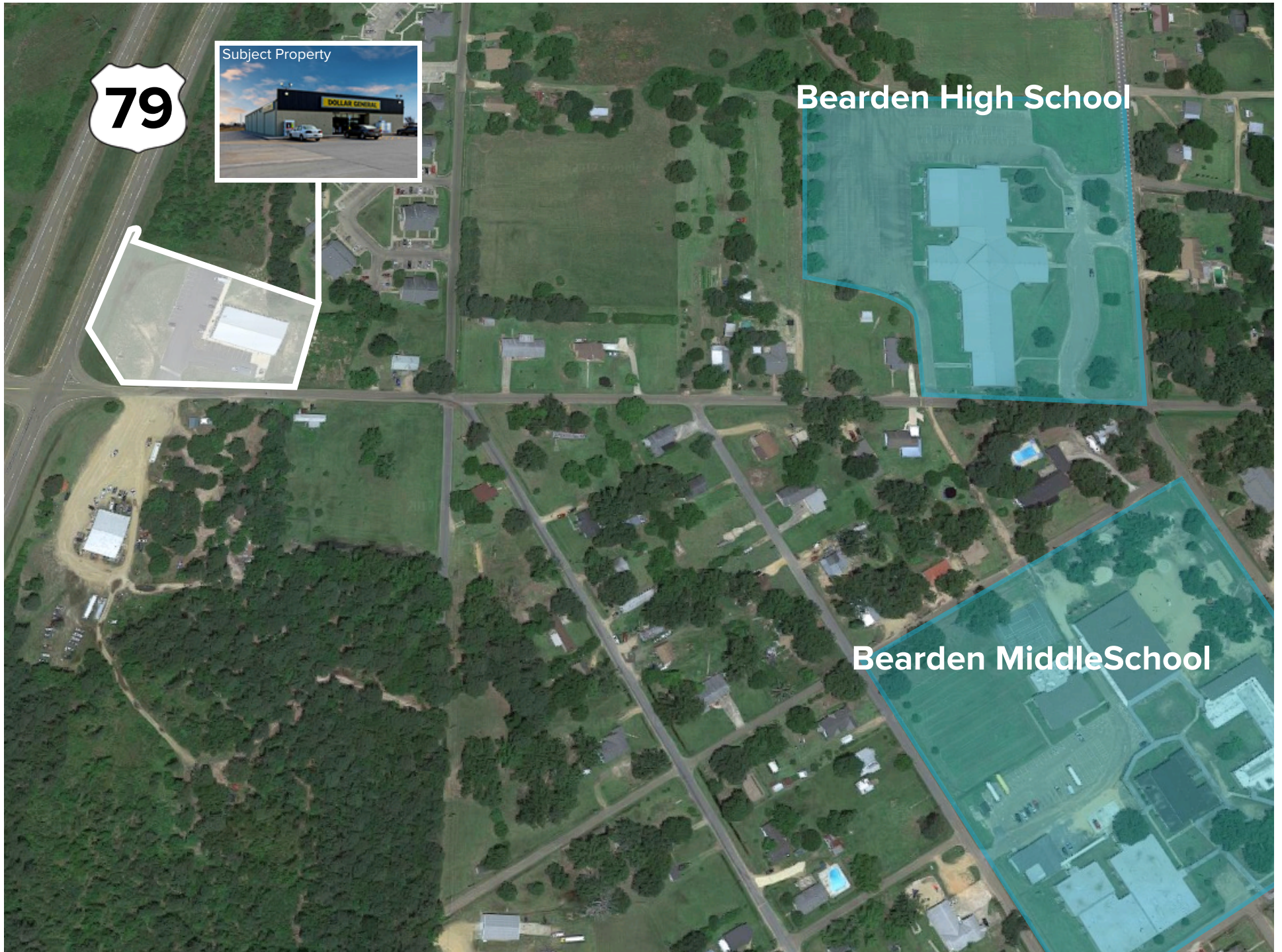
Number of Stories	One
Year Built	2014
Gross Leasable Area	± 9,152 SF
Lot Size	± 2.09 Acres (91,040 SF)
Type of Ownership	Fee Simple
Parking	± 36
Parking Ratio	3.93 : 1,000 SF
Lanscaping	Professional
Topography	Generally Level



TRAFFIC COUNTS HWY 79: ± 3,000 ADT



There has been an increasing number of solar energy projects in Arkansas being built in the last year: One is currently under construction in Bearden.



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **this 3-Unit Dollar General Portfolio (“Property”)**. It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

DOLLAR GENERAL 3-UNIT PORTFOLIO

ARKANSAS & TENNESSEE

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

EXCLUSIVELY LISTED BY

ANDREW GROSS

Capital Markets

andrew.gross@matthews.com

DIR 310.955.1773

MOB 435.659.1404

LIC # 01987860 (CA)

CHAD KURZ

SVP & National Director

chad.kurz@matthews.com

DIR 214.692.2927

MOB 562.480.2937

LIC # 01911198 (CA)

BROKER OF RECORD

JESSICA DEARNLEY

BROKER OF RECORD

LIC # PB00069947 (AR)

JIM HOLLEMAN

BROKER OF RECORD

LIC # 235328 (TN)